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April 20, 2007

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SPECIAL COUNSEL

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VIA HAND DELIVERY

The Honorable Charles L.A. Terreni
Chief Clerk / Administrator
Public Service Commission of South Carolina
Synergy Business Park
101 Executive Center Drive
Columbia, South Carolina 29210-8411

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RE: Application of Carolina Water Service, Inc. for an adjustment of rates for water and sewer services and modification of certain terms and conditions of its rate schedule; Docket No. 2004-357-W/S

Dear Mr. Terreni:

Enclosed for filing please find the original and ten (10) copies of Carolina Water Service, Inc.'s Motion to Cancel Bond on an Expedited Basis in the above-referenced matter. Furthermore, you will find a proposed Order Granting Motion to Cancel Bond on an Expedited Basis for the Commission's consideration.

I would appreciate your acknowledging receipt of these documents by date-stamping the extra copy that is enclosed and returning it to me via our courier. By copy of this letter, I am serving counsel of record with a copy of same and enclose my certificate to that effect.

If you have any questions, or need additional information, please do not hesitate to contact me. With best regards, I am

Sincerely,

WILLOUGHBY & HOEFER, P.A.



Benjamin P. Mustian

BPM/amw

Enclosures

cc: Florence P. Belser Esquire
Charles H. Cook, Esquire
Julie F. McIntyre, Esquire

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2004-357-W/S

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IN RE:)
)
Application of Carolina Water Service,)
Inc. for adjustment of rates and charges)
and modification of certain terms and)
conditions for the provision of water and)
sewer service.)
_____)

CERTIFICATE OF SERVICE

This is to certify that I have caused to be served this day one (1) copy of the **Motion to Cancel Bond on an Expedited Basis** and proposed **Order Granting Motion to Cancel Bond on an Expedited Basis** by placing same in the care and custody of the United States Postal Service with first class postage affixed thereto and addressed as follows:

C. Lessie Hammonds, Esquire
Florence P. Belser, Esquire
Office of Regulatory Staff
Post Office Box 11263
Columbia, South Carolina 29211

Julie F. McIntyre, Esquire
DHEC
2600 Bull Street
Columbia, South Carolina 29201

Charles Cook, Esquire
Elliott & Elliott, PA
721 Olive Street
Columbia, South Carolina 29205

Andrea M Wright
Andrea M. Wright

Columbia, South Carolina
This 20th day of April, 2007.

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2004-357-W/S

FILED
JAN 13 2005
PUBLIC SERVICE COMMISSION
COLUMBIA, SOUTH CAROLINA

IN RE:

Application of Carolina Water Service,
Inc. for adjustment of rates and charges
and modification of certain terms and
conditions for the provision of water and
sewer service.

**MOTION TO CANCEL BOND ON AN
EXPEDITED BASIS**

Applicant, Carolina Water Service, Inc., ("Applicant" or "CWS"), pursuant to S.C. Code Ann. Regs. R. 103-840 (1976), hereby moves for an order of the Public Service Commission of South Carolina ("Commission") finding that CWS is not required to issue a refund related to the rates charged under bond pursuant to S.C. Code Ann. Section 58-5-240(D) (Supp. 2004) and cancelling the bond held in the above-captioned matter. CWS also moves that the Commission consider this matter without hearing and on an expedited basis. In support thereof, CWS would respectfully show as follows:

1. On December 17, 2004, CWS filed an application with the Commission for adjustment of its rates and charges and for modification of certain terms and conditions for the provision of water and sewer service. By way of its Order Nos. 2005-328 and 2005-465, the Commission denied CWS the increase in water and sewer rates requested by its application and instead granted a smaller increase. Order No. 2005-465 further authorized CWS to place into effect rates under bond pursuant to S.C. Code Ann. Section 58-5-240(D) (Supp. 2004) in the amount of \$326,808.00. This amount represented twice the annual difference between the sewer

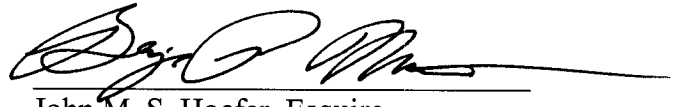
revenue which would be generated by the sewer rates approved in Order No. 2005-328 and the sewer revenue the Company would receive if the Commission had authorized rates generating \$1,077,178.

2. Thereafter, CWS petitioned the Court of Common Pleas in Richland County pursuant to S.C. Code Ann. Section 58-5-340 (Supp. 2004) for judicial review of these orders. On November 28, 2006, the Court issued its order reversing in part Order Nos. 2005-328 and 2005-465 and remanded the matter to the Commission for actions consistent with that order. By Order No. 2007-135, dated March 1, 2007, the Commission entered its Order on Remand consistent with the terms of the order of the Court, in part, setting rates sufficient to allow CWS to earn an additional \$1,117,000 in annual revenues.

3. The annual revenue received from the rates placed into effect under bond pursuant to S.C. Code Ann. Section 58-5-240(D) (Supp. 2004) did not exceed the additional revenues ultimately authorized by the Court and by the Commission's Order No. 2007-135. CWS, therefore, respectfully moves the Commission for issuance of an order finding that, in light of the order issued by the Court and the Commission's Order on Remand, the rates placed into effect under bond were not excessive and that CWS is not required to issue a refund. Additionally, CWS moves that the Commission fully release CWS from its obligation under the bond, authorize cancellation of the bond and find that the surety is released from any and all liability in this matter. Further, CWS requests that the Commission grant this motion without hearing and on an expedited basis.

4. The undersigned counsel for CWS hereby certify that they have consulted with counsel for the parties of record in this matter, and that such counsel has advised the undersigned that they do not oppose the instant motion.

WHEREFORE, having fully set forth its motion, Applicant respectfully requests that the Commission consider the foregoing motion on an expedited basis, without the requirement of a hearing and that it issue its order finding that (1) the revenues received from the rates placed into effect under bond pursuant to Order No. 2005-465 did not exceed the additional revenue ultimately authorized by the Court and by the Commission in Order No. 2007-135, (2) CWS is not required to issue a refund in this matter, (3) CWS is fully released from its obligation under the bond, the bond is cancelled and the surety is released from any and all liability in this matter, and (4) grant CWS such other and further relief as is just and proper.



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Post Office Box 8416
Columbia, South Carolina 29202-8416
803-252-3300

Attorneys for Applicant

Columbia, South Carolina
This 20th day of April, 2007